



Edgar Filing: STRONGHOLD TECHNOLOGIES INC - Form NT 10-K

PART III  
NARRATIVE

State below in reasonable detail the reasons why Form 10-K, 11-K, 20-F, 10-Q, N-SAR or the transition report portion thereof could not be filed within the prescribed time period.

The compilation, dissemination and review of the information required to be presented in the Form 10-KSB for the relevant fiscal year has imposed time constraints that have rendered timely filing of the Form 10-KSB impracticable without undue hardship and expense to the registrant. The registrant undertakes the responsibility to file such annual report no later than fifteen days after its original date.

PART IV  
OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

|             |             |                    |
|-------------|-------------|--------------------|
| Robert Nawy | (908)       | 904-1195           |
| (Name)      | (Area Code) | (Telephone Number) |

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If the answer is no, identify report(s).

Yes  No

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes  No

If so: attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

Stronghold Technologies, Inc.  
Name of Registrant as Specified in Charter.

Has caused this notification to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: March 31, 2005

/s/ Christopher Carey

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By: Christopher Carey  
Chief Executive Officer

EXPLANATION OF CHANGES

For the year ended December 31, 2003, the registrant had revenues of \$2,996,344 and net loss of \$4,258,007. For the year ended December 31, 2004, the registrant currently estimates that it had revenues of approximately \$2,490,000 and a net loss of approximately \$2,970,000. Results for the 2004 fiscal year

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remain subject to further adjustment and actual results may differ significantly from the foregoing estimates.

The main reasons for this decrease in revenue can be attributed to:

- o the steps we made to address our limited funding that included reductions of our sales, marketing and client consultant staffs,
- o a strategic decision to allocate resources to establish our first sales efforts through third party distributors; and
- o a loss of momentum in the late part of the second quarter and the early part of the third quarter resulting from concerns regarding closure of our pending funding that was needed to maintain operations.

The decrease in net loss can be attributed to a significant reduction in staffing in addition to reduced sales, general and administrative expenses.

The largest portion of the reduction in expense is primarily attributable to efficiencies gained through the reduction of staff from 41 in December 31, 2003 to 21 in the year ended December 31, 2004. Other significant expense reductions within selling, general and administrative expenses included legal, printing and reproduction, travel, marketing, recruiting and consultants.